



ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

6-D September 15, 2020

A handwritten signature in black ink, appearing to read "Celia Zavala", is written over a light blue circular stamp.

CELIA ZAVALA
EXECUTIVE OFFICER

September 15, 2020

Honorable Board of Commissioners
Los Angeles County Development
Authority
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Commissioners:

**RESOLUTION DECLARING INTENT TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS
FOR DEVELOPMENT AND CONSTRUCTION OF AFFORDABLE MULTIFAMILY HOUSING IN
THE CITY OF LOS ANGELES
(DISTRICT 3) (3 VOTES)**

SUBJECT

This letter recommends that the Board of Commissioners of the Los Angeles County Development Authority (LACDA) adopt a resolution required for the issuance of multifamily housing revenue bonds to finance the site acquisition, development and construction of Corazon del Valle II (Project), an affordable 90-unit multifamily housing development in the City of Los Angeles.

IT IS RECOMMENDED THAT THE BOARD:

1. Adopt and instruct the Chair to sign a resolution, as required under Treasury Regulations, approving a plan of financing and issuance of multifamily revenue bonds or notes by the LACDA in an amount not to exceed \$40,000,000 (Bonds) for CDV II, L.P. (Borrower), or an LACDA-approved affiliate or assignee thereof, for purposes of financing the site acquisition, construction and development of the Project.
2. Authorize the Acting Executive Director, or designee, to submit an application to the California Debt Limit Allocation Committee (CDLAC) for issuance of the Bonds for the purposes described herein.
3. Find that adoption of this resolution is not subject to the provisions of CEQA because the action will not have the potential of causing a significant effect on the environment.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of this action is to declare the intent to issue the Bonds to finance the site acquisition, construction and development of the Project.

The Project, to be located at 14545 Lanark Street in the City of Los Angeles will consist of a mix of 18 studio units, 27 one-bedroom units, 23 two-bedroom units and 22 three- bedroom units, for a total of 90 units. Forty-nine (49) units are restricted to households with incomes not to exceed 30% of Area Median Income (AMI), 16 units will be restricted to households with incomes not to exceed 50% of AMI and 23 units will be restricted to households not to exceed 60% of AMI for the Los Angeles-Long Beach Metropolitan Statistical Area, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development. The affordability requirements will remain in effect for 55 years. Forty-five (45) units will be restricted to homeless households. A two-bedroom unit and a three-bedroom unit will be set-aside for the property managers and will have no affordability requirements.

FISCAL IMPACT/FINANCING

There is no impact on the County General Fund. The Bonds will be repaid solely through rent revenues collected by the Borrower. The Borrower will pay all fees and related costs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Adoption of the resolution by the LACDA's Board of Commissioners expresses the intent to issue the Bonds, and is required to establish a base date after which costs incurred by the Borrower may be included in the construction and permanent financing obtained pursuant to issuance of the Bonds. The resolution is also required to complete the LACDA's application to CDLAC.

The attached resolution was prepared by Kutak Rock, LACDA Bond Counsel, and approved as to form by County Counsel.

ENVIRONMENTAL DOCUMENTATION

The proposed action is not a project pursuant to CEQA because it is an activity that is excluded from the definition of a project by Section 15378 (b)(5) of the State CEQA guidelines. The proposed action is an administrative activity of government which will not result in direct or indirect physical change to the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

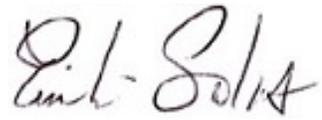
The proposed actions are a necessary step to provide bond financing for the Project, which will increase the supply of affordable multifamily housing in the County with long-term affordability.

The Honorable Board of Supervisors

9/15/2020

Page 3

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Emilio Salas". The signature is written in a cursive, flowing style.

Emilio Salas

Acting Executive Director

ES:LK:MT:DR:JWR

Enclosures

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE LOS ANGELES COUNTY DEVELOPMENT AUTHORITY OFFICIAL DECLARATION OF INTENT TO UNDERTAKE THE FINANCING OF A MULTIFAMILY HOUSING PROJECT AND RELATED ACTIONS

WHEREAS, the Los Angeles County Development Authority (the "LACDA"), is authorized and empowered by the provisions of Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California (the "Act") to issue and sell mortgage revenue bonds or notes as part of a plan of financing for the purpose of making loans or otherwise providing funds to finance the acquisition, construction, rehabilitation and development of multifamily residential rental housing projects, including units for households meeting the income limits set forth in the Act; and

WHEREAS, Clifford Beers Housing, Inc. which will form a limited partnership which is expected to be CDV II, L.P. (or an LACDA approved affiliate or assign, the "Borrower"), has requested that the LACDA issue and sell its mortgage revenue bonds or notes pursuant to the Act to provide financing (including reimbursement of Borrower's expenditures) for the acquisition, construction, development or rehabilitation of a multifamily rental housing development consisting of 90 units to be located at 14545 Lanark Street, Los Angeles, CA 91402 located in the City of Los Angeles and in the County of Los Angeles (together, the "Project"); and

WHEREAS, this Board of Commissioners of the LACDA (the "Board") hereby finds and declares that it is necessary, essential and a public purpose for the LACDA to finance multifamily housing projects pursuant to the Act, in order to increase the supply of multifamily housing in Los Angeles County available to persons and families within the income limitations established by the Act; and

WHEREAS, as an inducement to the Borrower to carry out the Project, this Board desires to adopt this resolution (this "Resolution") and to authorize the issuance of mortgage revenue bonds or notes by the LACDA to finance the Project in a principal amount not to exceed \$40,000,000 (the "Bonds"); and

WHEREAS, the LACDA, in the course of assisting the Borrower in the financing of the Project expects that the Borrower has paid or may pay certain expenditures (the "Reimbursement Expenditures") in connection with the Project within 60 days prior to the adoption of this Resolution and may incur additional Reimbursement Expenditures within 60 days prior to the adoption of this Resolution and prior to the issuance of indebtedness for the purpose of financing costs associated with the Project on a long-term basis; and

WHEREAS, Section 1.142-4 and Section 1.150-2 of the Treasury Regulations require the LACDA to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent borrowing; and

WHEREAS, Section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the Government Code of the State of California (the "Government Code") governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue multifamily housing mortgage revenue bonds; and

WHEREAS, Section 8869.85 of the Government Code requires a local agency to file an application with the California Debt Limit Allocation Committee ("CDLAC") prior to the issuance of multifamily housing mortgage revenue bonds; and

WHEREAS, the City of Los Angeles has approved the issuance by the LACDA of the Bonds for the Project within the City of Los Angeles;

WHEREAS, this Board hereby finds and declares that this Resolution is being adopted pursuant to the powers granted by the Act.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

1. The above recitals, and each of them, are true and correct.
2. This Board hereby determines that it is necessary and desirable to provide a plan of financing for the Project by the issuance and sale of mortgage revenue bonds or notes pursuant to the Act and hereby authorizes the issuance and sale of the Bonds in one or more series from time to time by the LACDA pursuant to a plan of financing. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, provided that nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the LACDA or any officer, agent or employee of the LACDA will grant any approval, consent or permit which may be required in connection with the acquisition and construction or rehabilitation of the Project or the issuance of the Bonds.
3. The issuance and sale of the Bonds shall be upon such terms and conditions as may be agreed upon by the LACDA and the Borrower and the initial purchasers of the Bonds; provided, however, that the Bonds shall not be sold or issued unless specifically authorized by the subsequent resolution of this Board.
4. This Resolution is being adopted by the LACDA for purposes of establishing compliance with the requirements of Section 1.142-4 and Section 1.150-2 of the Treasury Regulations. In that regard, the LACDA hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. Notwithstanding the foregoing, this Resolution does not bind the LACDA to make any expenditure, incur any indebtedness, or proceed with the Project.
5. The proper officers of the LACDA are hereby authorized and directed to apply to CDLAC for a private activity bond allocation for application by the LACDA to the issuance the Bonds in one or more series from time to time for the Project in an amount not to exceed \$40,000,000, to collect from the Borrower an amount equal to the

performance deposit required by CDLAC and to certify to CDLAC that such amount has been placed on deposit in an account in a financial institution.

6. The proper officers of the LACDA are hereby authorized and directed to take whatever further action relating to the aforesaid financial assistance may be deemed reasonable and desirable provided that the terms and conditions under which the Bonds are to be issued and sold shall be approved by this Board in the matter provided by law prior to the sale thereof.

This Resolution shall take effect immediately upon its adoption.

[Remainder of page intentionally left blank]

PASSED AND ADOPTED by the Board of Commissioners of the Los Angeles County Development Authority, State of California, this 15th day of September, 2020, by the following vote:

AYES: Supervisors Solis, Ridley-Thomas, Kuehl, Hahn and Barger

NOES: NONE

ABSENT: NONE

ABSTAIN: NONE

By: *Kasmyr Barger*
Chair of the Board of Commissioners

ATTEST:

CELIA ZAVALA
Executive Officer-Clerk
of the Board of Commissioners

By: *Angela Ruiz*
Deputy



APPROVED AS TO FORM:

MARY C. WICKHAM,
County Counsel

By: *Pete Biller*
Deputy